



The Future of Troy

A Troy City Council Strategic Direction Work Session

June 5, 2012



Troy's Financial Challenges...

...are no different than many across the Nation

⋮ **Dayton Daily News** Tuesday, May 22, 2012

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News: localnews@daytondailynews.com or 937-225-2211 | **Delivery:** d

IN-DEPTH COVERAGE

**Cities
at risk
of fiscal
crisis**



Proposed Agenda

- 
- I** **Welcome and Introduction** *President Baker*
 - II** **Purpose and Overview of Agenda** *Mayor Beamish*
 - III** **Troy's Financial Challenges** *Auditor Stickel*
 - IV** **Troy's Budgetary Successes** *Mr. Titterington*
 - V** **Troy's Future: A Brainstorming Exercise** *Mayor Beamish*
 - VI** **Next Steps** *President Baker*



Troy's Financial Challenges

Why the Gloomy Forecast?



Known Threats

- State of Ohio confiscation
- Annual wage inflation
- Annual benefit increases
- Investment Earnings



Unknown Threats

- Income tax uniformity
- Union negotiations
- ObamaCare impacts



Troy's Financial Challenges

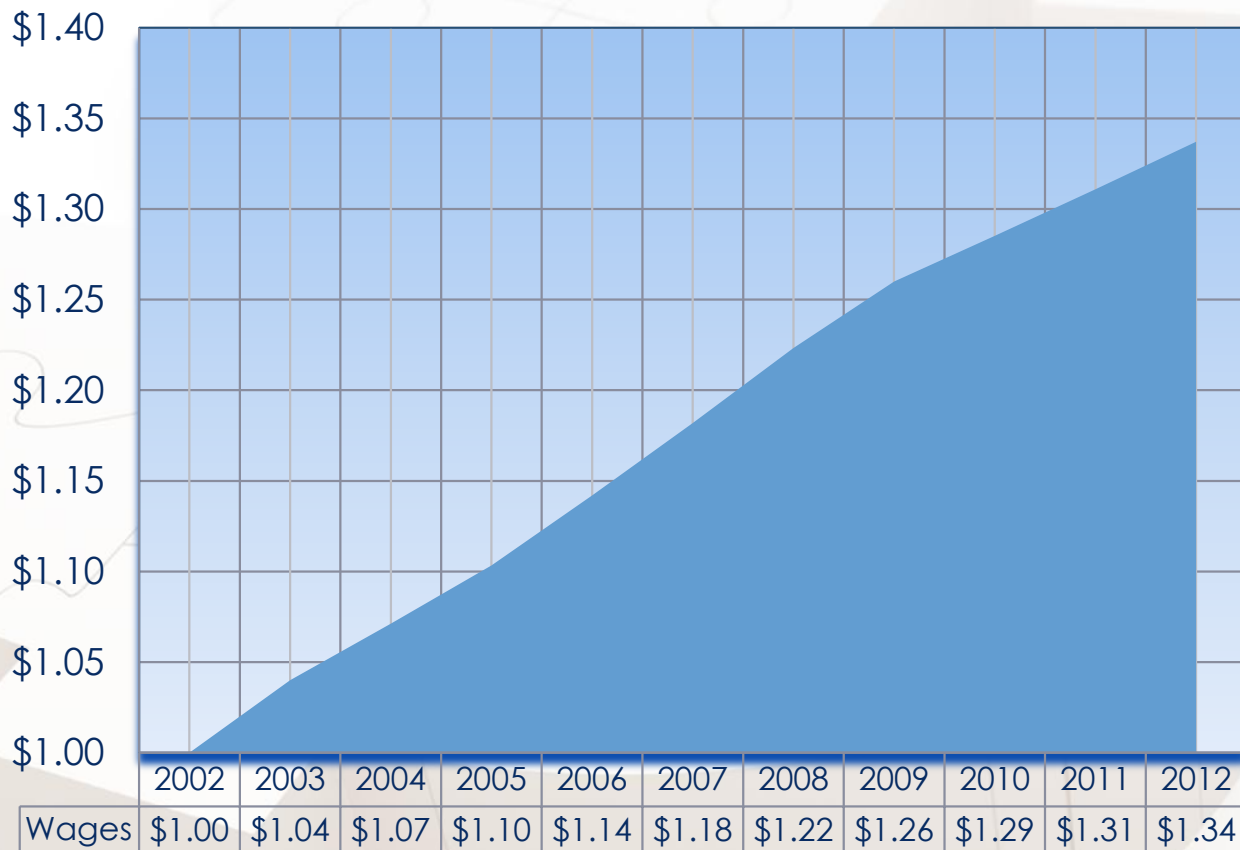
The State of Ohio: The Grand Confiscator

- **\$600,000** taken from Local Government Fund
- **\$325,000** taken from Estate Tax
- **\$ 50,000** taken from Personal Property Tax

\$975,000 Gone (so far)

Troy's Financial Challenges

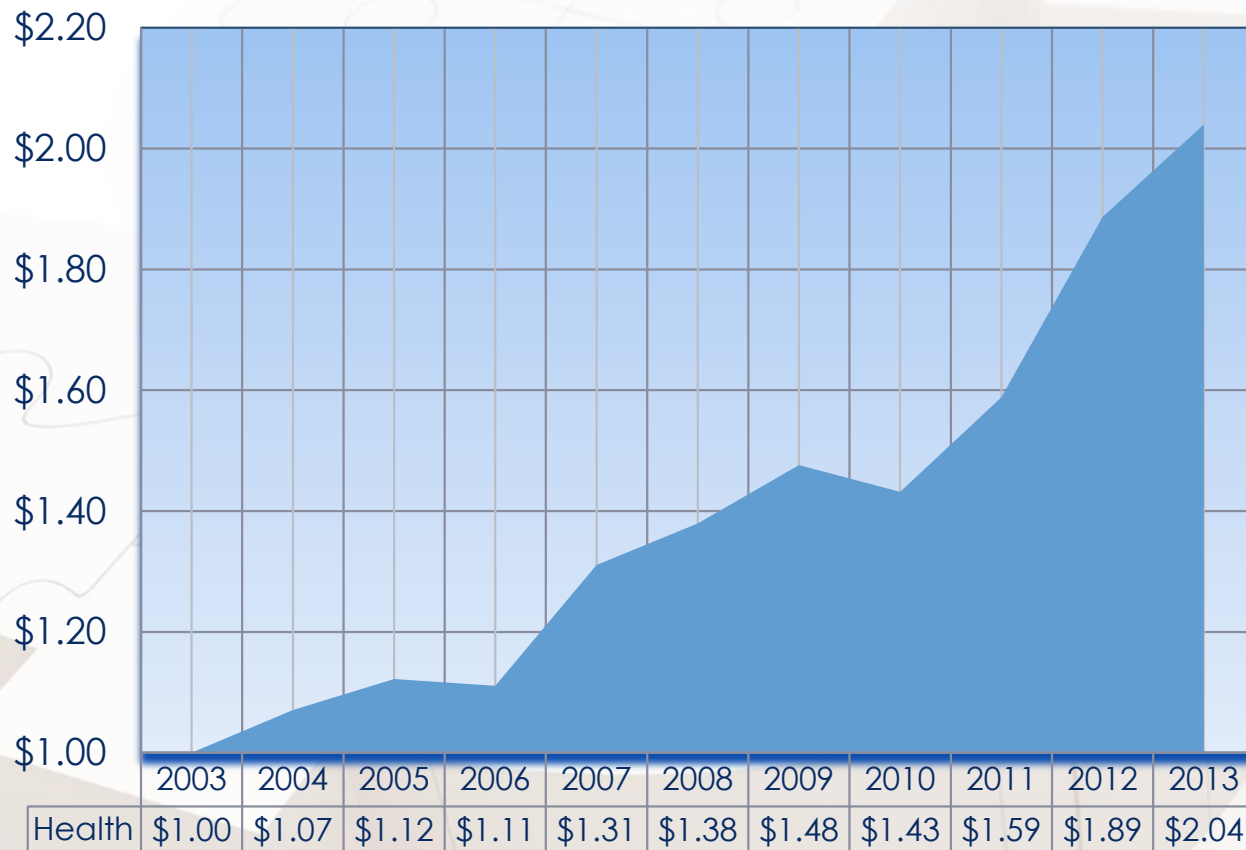
Wage Inflation from 2002 (baseline) - 2012



Wages that cost \$1.00 in 2002 have increased 34% by 2012.

Troy's Financial Challenges

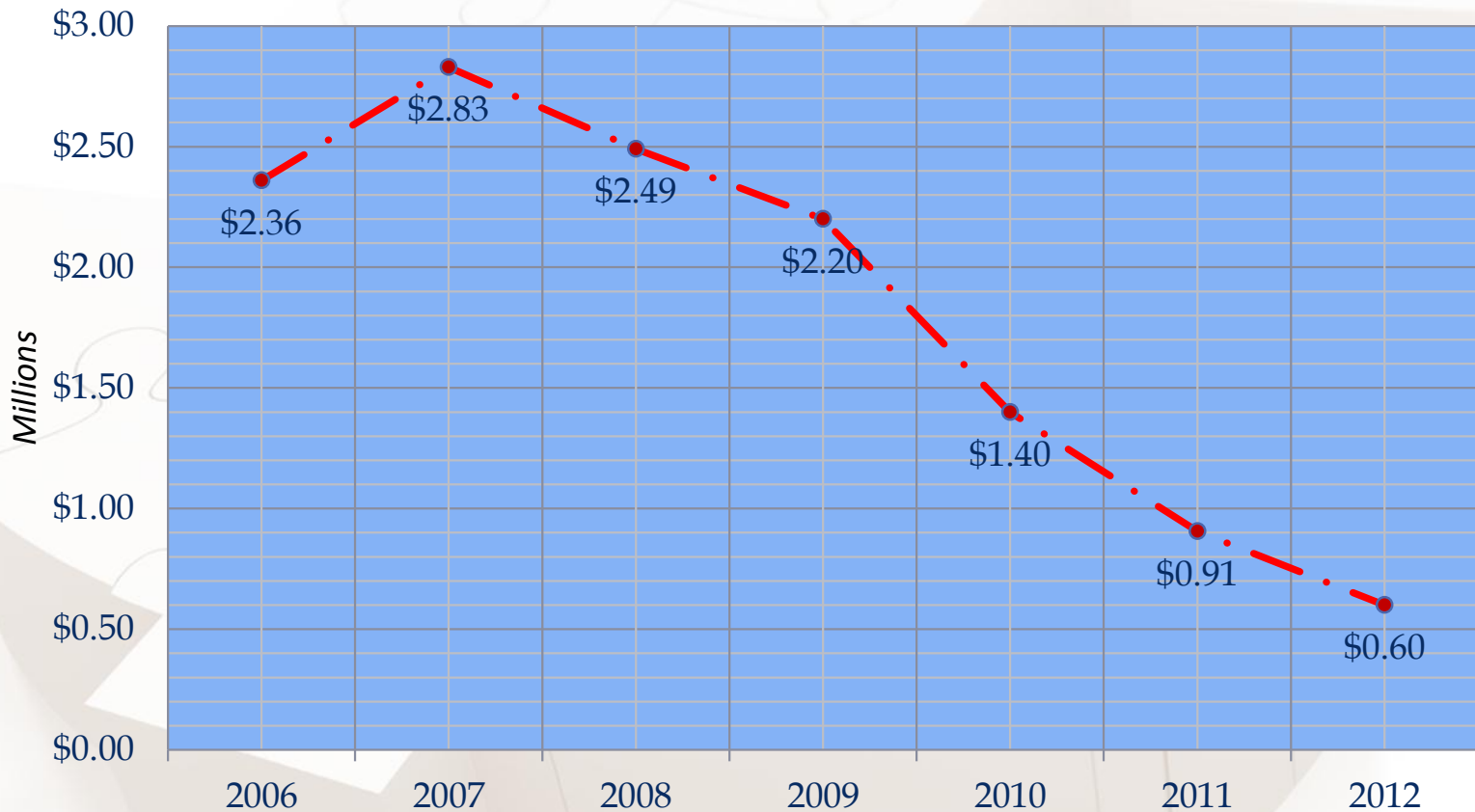
Health Premium Growth from PY 2003 (baseline) - 2013



Healthcare premiums that cost \$1.00 in 2003 have increased 104% over the past 10 years.

Troy's Financial Challenges

Investment Income Declines, 2006-2012 (Estimated)



Earnings have declined by 74.5% over the past 7 years.



Troy's Financial Challenges





Troy's Budgetary Successes

**Controlling
Costs**

Outsourcing

Regionalism

Automation



Troy's Budgetary Successes

Controlling Costs

Labor

- ❖ Reorganized every department
- ❖ Using Temps/part-timers/interns
- ❖ Reduced 28 FTEs in past 5 years

Other Cost Controls

- ❖ Refinanced General Obligation bonds
- ❖ Transferred Memorial Stadium
- ❖ Awarded \$6 million in outside grants



Troy's Budgetary Successes



Outsourcing

- ❖ Dye Mill Facility
- ❖ Fleet Maintenance
- ❖ Water Tank Maintenance
- ❖ Miami Shores Rough Mowing
- ❖ Utility Bill Printing & Mailing



Troy's Budgetary Successes



Regionalism

- ❖ Recycling Contract
- ❖ Fire District
- ❖ Water Treatment
- ❖ Sewer Treatment
- ❖ Ohio Benefits Cooperative
- ❖ Storm Water Management Education
- ❖ Many Others!



Troy's Budgetary Successes

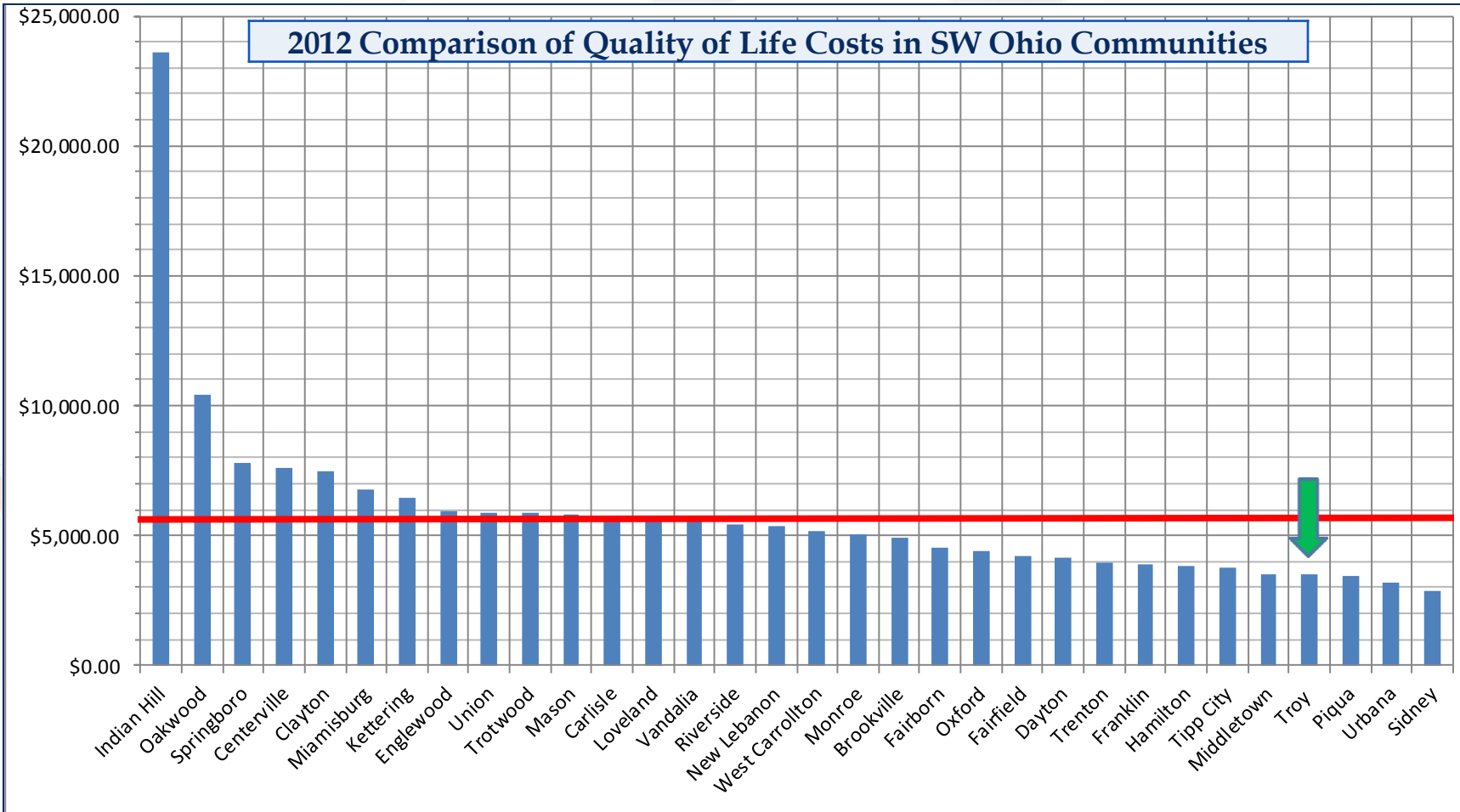


Automation

- ❖ Meter Reading
- ❖ SCADA
- ❖ Safety Records Management
- ❖ Recreation Program Scheduling
- ❖ Paperless Initiative
- ❖ Newsletters

Troy's Budgetary Successes

A Unique Quality of Life



Note: Red line reflects average of \$5,794.18



Troy's Financial Challenges

General Fund Five-Year Forecast in 2012 Budget

(No Paving or Sidewalk Repairs)

(\$ in millions)	2012	2013	2014	2015	2016
Beg. Balance	\$14.3	\$11.3	\$8.6	\$5.6	\$2.4
Revenues	22.3	22.8	23.2	23.7	24.2
Resources	36.6	34.1	31.8	29.3	26.6
Operating	22.8	23.5	24.2	24.9	25.7
Street Paving	.5	0	0	0	0
Sidewalk Repairs	0	0	0	0	0
Capital	2.0	2.0	2.0	2.0	2.0
Expenses	25.3	25.5	26.2	26.9	27.7
End Balance	\$11.3	\$8.6	\$5.6	\$2.4	(\$1.1)

Source: 2012 rec'd budget; out years based on est. inflation, performance and economic indications



Troy's Future: Without Revenues

- 
- X Road repairs
 - X Sidewalk and curb maintenance
 - X Cemetery operations
 - X Hobart Arena
 - X Infrastructure projects
 - X Downtown parking enforcement
 - X Miami Shores
 - X Public Access TV
 - X Troy Main Street
 - X The Rec
 - X Fireworks
 - X Concerts
 - X DARE/SRO
 - X Beautification
 - X Property maintenance
 - X CALEA certification
 - X National Night Out
 - X Parks maintenance
 - X Recreational activities at night
 - X Lincoln Community Center



Troy's Financial Challenges

General Fund Five-Year Forecast with Theoretical Needs

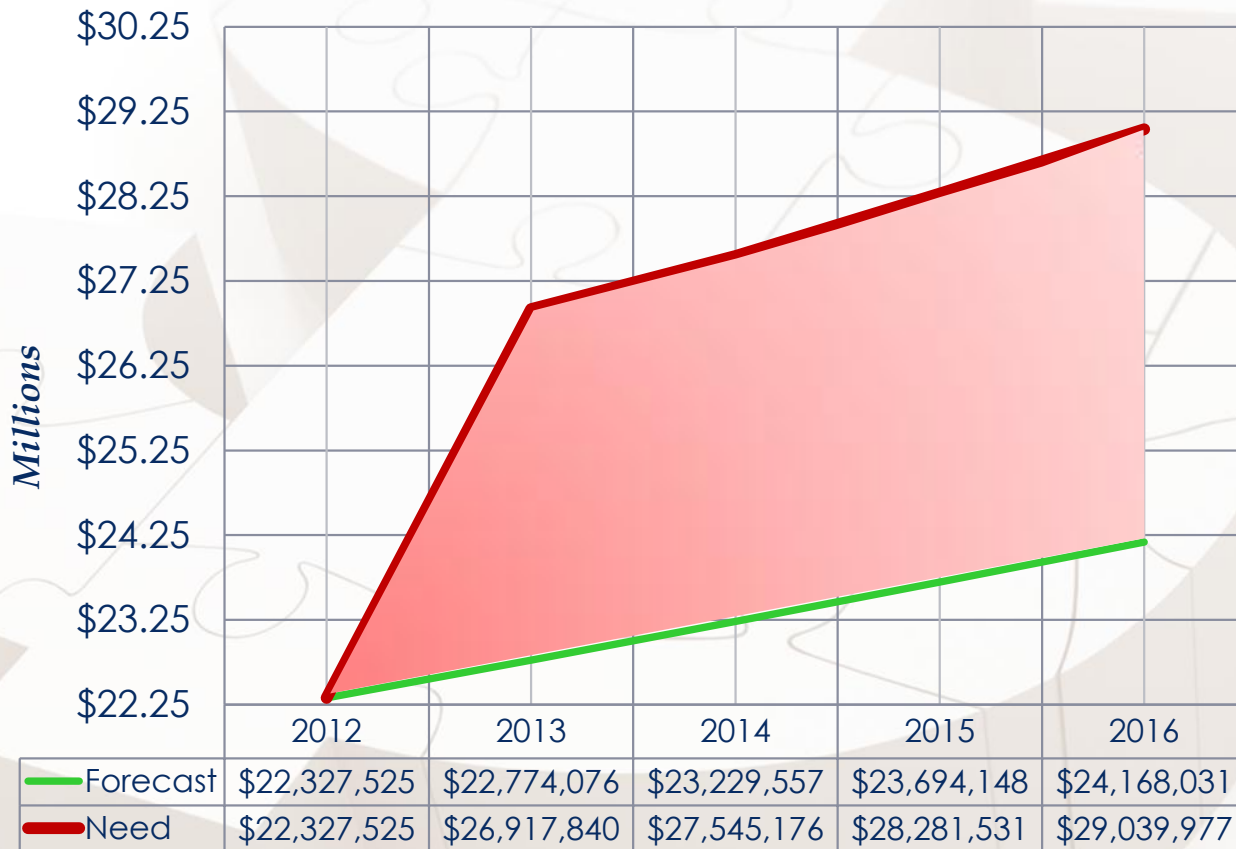
(Assumes Paving, Sidewalk Repairs and minimum GF Balance)

(\$ in millions)	2012	2013	2014	2015	2016
Beg. Balance	\$14.3	\$11.3	\$11.7	\$12.1	\$12.5
Revenues	22.3	26.9	27.6	28.3	29.0
Resources	36.6	38.2	39.3	40.4	41.5
Operating	22.8	23.5	24.2	24.9	25.7
Street Paving	.5	.6	.6	.6	.6
Sidewalk Repairs	0	.3	.3	.3	.3
Capital	2.0	2.1	2.1	2.1	2.1
Expenses	25.3	26.5	27.2	27.9	28.7
End Balance	\$11.3	\$11.7	\$12.1	\$12.5	\$12.8

Source: 2012 rec'd budget; out years based on est. inflation, estimated capital needs, and required minimum fund balances

Troy's Future: A Widening Gap

Forecasted Revenues v. Theoretical Needs

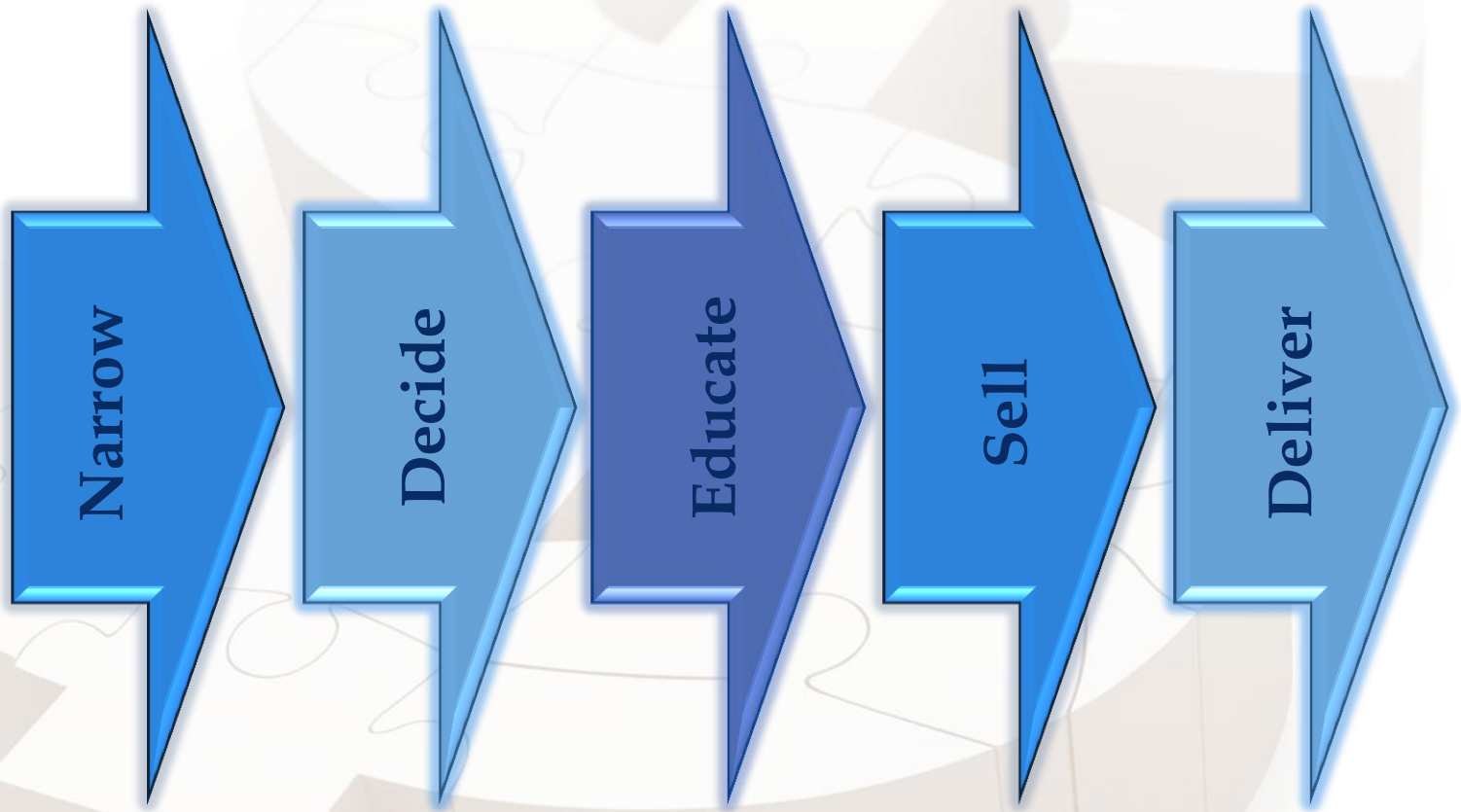


Questions





Next Steps



Troy's Future: Brainstorming





Next Steps

